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FIFTIETH SESSION

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SECOND COMMITTEE
28th meeting
held on
Thursday, 9 November 1995
at 3 p.m.
New York

SUMMARY RECORD OF THE 28th MEETING

Chairman:

Mr. STADTHAGEN
(Vice-Chairman)

(Nicaragua)

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- (a) TRIENNIAL POLICY REVIEW OF OPERATIONAL ACTIVITIES FOR DEVELOPMENT OF
THE UNITED NATIONS SYSTEM (continued)

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In the absence of the Chairman, Mr. Stadthagen (Nicaragua),
Vice-Chairman, took the Chair.

The meeting was called to order at 3.20 p.m.

AGENDA ITEM 97: OPERATIONAL ACTIVITIES FOR DEVELOPMENT (continued) (A/50/113 and Add.1, A/50/254-S/1995/501, A/50/345, A/50/425-S/1995/787, A/50/475, A/50/518)

(a) TRIENNIAL POLICY REVIEW OF OPERATIONAL ACTIVITIES FOR DEVELOPMENT OF THE UNITED NATIONS SYSTEM (continued) (A/50/202-E/1995/76 and Add.1, Add.2 and Add.3)

1. Mr. PANTIRU (Republic of Moldova) said that, like other newly independent States the Republic of Moldova was engaged in the difficult process of transition to democracy and a market economy. In its opinion, the success of that process would depend largely on a positive external environment and strong support from the international community. The United Nations Development Programme (UNDP), which was the core of the system of operational activities, had provided assistance in such crucial areas as national capacity-building in management, governance and democratization, private sector development and economic reforms, human resources, the social sector and the development of environmentally sound energy sources. UNDP also had played an important role in coordination with other specialized agencies as well as multilateral and bilateral donors, and its Executive Board had recently adopted a number of important decisions concerning technical cooperation, in addition to special assistance to some newly independent States.

2. The efficiency, effectiveness and impact of development cooperation and operational activities depended largely on a country's ability to manage the process and integrate external assistance into the national context. The United Nations system should be helping countries to strengthen their key national institutions and aid coordination capacity. Thus, the effort to synchronize the programming cycles of international organizations with national development programmes was especially welcome. In order to eliminate the problems encountered in the national execution mentioned in document A/50/113, the respective roles of Governments, UNDP and specialized agencies must be clearly delineated. His delegation agreed that the regional commissions could play a more visible role in the process of preparing country programmes and in national execution. Government personnel involved in project implementation must also receive adequate professional training.

3. Mr. TALBOT (Guyana) said that his Government viewed the operational activities of the United Nations system as an important catalyst to its national development efforts. Guyana had received very important assistance through several funds and programmes, and also from the donors who had continued their support to those programmes. Future funding of operational activities must, however, be placed on a more reliable and predictable basis.

4. Harmonization and simplification of rules and procedures, national execution and capacity-building were the three most important aspects of the

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triennial comprehensive policy review. While rules and procedures were certainly needed, it would be helpful if they were harmonized and simplified. Regarding national execution, he said that flexibility and responsiveness to national conditions was needed in order to foster true national self-reliance. The more broad-based approach to capacity-building adopted throughout the United Nations system, including at the community level, should be encouraged.

5. In closing, he said that Guyana had taken steps to exploit fully the enormous potential of South-South cooperation. With UNDP funding, his Government had initiated its first umbrella project in support of technical cooperation among developing countries (TCDC), and would host the first sectoral review meeting on food and agriculture of the Group of 77.

6. Mr. PRENDERGAST (Jamaica) said that the triennial review was of considerable importance, as it afforded an opportunity to assess the activities of the United Nations system in order to ensure that it remained responsive to the needs of developing countries. His delegation welcomed the recommendations made by the Secretary-General in document A/50/202, particularly those regarding the role of the Economic and Social Council, dialogue at the country level, the resident coordinator system, the country strategy note, national execution and resource allocation.

7. The central role of recipient countries and national Governments in the management of their own development must be underscored. The programming of operational activities should continue to be based on national development plans and priorities. In that context, the resident coordinator system must continue to operate within institutional restrictions, in order not to compromise relationships between individual organizations of the United Nations system and Governments. The steps taken to make it more responsive to needs at the country level were welcome. The country strategy note was a major step towards achieving conceptual and operational coherence at the country level, although its elaboration did require a period of preparation in order to ensure broad participation. Cooperation with the Bretton Woods institutions should not lead to new conditionalities.

8. His delegation noted with concern the decline in official development assistance. While the demand for operational activities had expanded, programmable central resources had declined. Jamaica, therefore, supported recommendation 6 of the Secretary-General's report (A/50/202) which called for the re-energizing of negotiations on a new, improved funding system in accordance with resolution 48/162, which had called for a substantial increase in funding required for operational activities on a predictable, continuous and assured basis.

9. Mr. DANESH-YAZDI (Islamic Republic of Iran) said that the international community must take advantage of the improved environment resulting from the end of the cold war, and address the crucial issues of social and economic development. The operational activities of the United Nations were extremely valuable in promoting the self-reliance of developing countries. In order to enhance the efficiency and effectiveness of the United Nations development system, it was essential that the developed countries should achieve the targets set for official development assistance, and provide new and additional

resources as they had pledged to do. With regard to the issue of restructuring, he said that while special attention should be accorded to General Assembly resolution 48/162, the new tasks entrusted to the various funds and programmes must be consistent with the original mandates.

10. Concerning recommendations 11 to 14 of document A/50/202, national programmes and priorities constituted the only viable frame of reference for operational activities and thus, for the formulation of the country strategy note. The authority of the resident coordinator system should not exceed the limits defined in the General Assembly resolutions.

11. The developing countries had demonstrated their support of more efficient and effective operational activities by establishing cost-sharing arrangements and contributing to the expenses of local field offices, among other measures. In order to enhance operational activities for development, it was essential that others should now demonstrate political will on funding issues.

12. Mr. MURIITHI (Kenya) said that his country deeply appreciated the assistance it received from various United Nations funds, programmes and specialized agencies in support of operational activities. Given the importance of capacity-building in facilitating the effective integration of external assistance into the development process, his delegation agreed with recommendation 21 in document A/50/202 that capacity-building should continue to be an essential part of the operational activities of the United Nations system at the country level.

13. New approaches and improved funding mechanisms were needed to ensure that the funding commitments agreed upon at various international conferences were fulfilled, taking into account the provisions of General Assembly resolutions 47/199 and 48/162 on the need to increase resources for operational activities.

14. The effectiveness and efficiency of the resident coordinator system required a coordinated multidisciplinary approach to the needs of recipient countries while bearing in mind the need for a division of labour within the respective spheres of competence of the individual funds, programmes and specialized agencies. That approach would go a long way towards strengthening programme delivery. It also was necessary further to decentralize the administrative and financial aspects of the system to allow timely intervention by the resident coordinator. The importance of recommendation 9 concerning enhancement of the authority of the resident coordinator for the coordination of programmes and of recommendation 8, concerning the need for supplementary resources, either financial or in kind, for the resident coordinator system, could not be overemphasized. The recommendation calling for increased resources to implement programmes or projects contained in country strategy notes was timely. The targets outlined in those notes should be quantifiable in order to facilitate effective follow-up. The programme approach should be flexible so as to accord national projects priority when that was deemed desirable by the country concerned.

15. It was gratifying to note that national execution had increased significantly since the preceding triennial comprehensive policy review and that the other Joint Consultative Group on Policy agencies already employed national

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execution extensively. A coherent expansion of national execution could be expected if the weaknesses in the modality were effectively addressed. In that connection, it was essential to implement recommendation 16, calling for more effective and systematic support by the specialized agencies to UNDP-funded projects.

16. Mr. DORANI (Djibouti) expressed his delegation's high regard for national execution and the programme approach and emphasized that resident coordinators should function both as cautious ambassadors of the United Nations and as technical experts, and should work in close partnership with Governments. UNDP had demonstrated that it was a dynamic entity capable of adapting to circumstances. That was illustrated by various of its activities under way or about to be undertaken within the context of the maintenance of peace and security, national reconciliation and reconstruction. His delegation welcomed the fact that the resident coordinator system had been extended to other bodies.

17. Given the current financial crisis and the apparent proliferation of well financed non-governmental organizations, the value of whose activities was not always clear, it would be prudent for donors to shift some of the funds provided to those organizations to bodies with demonstrated operational experience, such as UNDP, UNICEF and UNFPA.

18. Lastly, the draft resolution on operational activities for development should include a tribute to all persons who, for more than 10 years, had discharged their tasks often at considerable risk to themselves.

19. Mr. ELTINAY (Sudan) said that at a time when official development assistance continued to decline the United Nations system represented the only hope for the developing countries in their quest to achieve sustainable development. The major donors must honour their obligations in order to enable the Organization to play its role as envisaged in the Charter. It was significant that in 1994 extrabudgetary contributions to UNDP by developing countries had demonstrated a new trend towards self-financing. It was disturbing to see that resources for the sixth UNDP programming cycle were declining, following a substantial decrease in indicative planning figures.

20. His delegation wished to pay a tribute to the objective role played by resident coordinators in assisting Governments to prepare country strategy notes and in coordinating the activities of the United Nations system at the country level. In particular, it welcomed the leading role of UNDP in that regard. It was important to emphasize that country strategy notes were the sole responsibility of Governments and must reflect their national priorities. The capacity-building activities of the United Nations should draw, in particular, on national expertise in the recipient countries.

21. Although his delegation commended the Secretary-General for his efforts in preparing the reports on the operational activities of the United Nations system in the field of development, those reports were misleading because they combined humanitarian relief with development activities. The explanations in paragraphs 11 of both document A/50/202/Add.1 and A/50/202/Add.2, for 1994 and 1993, respectively, were unacceptable to his delegation. Tables B.2 in the two

documents incorrectly represented the assistance provided to Operation Lifeline Sudan by the World Food Programme (WFP) and the United Nations Children's Fund (UNICEF) as development grants. In fact, as could be seen from tables B.3 of both reports, the International Development Association, the World Bank and the International Finance Corporation had not provided any assistance to his country in 1993 and 1994. WFP and UNICEF had, it was true, provided very limited rehabilitation and development assistance to Operation Lifeline Sudan. His delegation requested a breakdown of the humanitarian assistance provided to the Sudan as reflected in the tables to which he had referred, and also requested that the confusion be corrected.

22. Mr. WIBISONO (Indonesia) said that the formidable challenges facing the United Nations could be overcome only through a genuine global partnership, which must be reflected in the operational activities of the Organization. In order to prevent the continued decline in resources available for development programmes, consultations on the new modalities for the financing of operational activities must be backed by the requisite political will. His delegation attached great importance to recommendations 6 and 7 in document A/50/202 in that connection.

23. The triennial review of operational activities for development had assumed added importance due to the rising demands not only in traditional operational activities, but also in new and upstream areas, which went far beyond available resources. Although conditions within a given country might require certain types of assistance, it should not be assumed that the same kind of assistance was required by all countries. Operational activities should focus primarily on those areas which had demonstrated their importance and success, including the client-oriented approach, which should be facilitated by the country strategy note. National self-reliance should be encouraged, as should national execution. His delegation fully supported recommendation 16 in document A/50/202 in that regard.

24. His delegation continued to support the resident coordinator system but urged caution with regard to recommendation 9 which called for enhanced responsibility and authority of the resident coordinator for the planning and coordination of programmes. The resident coordinator should assist Governments to achieve their development goals, inter alia, through the country strategy note. It might, perhaps, be too early to conclude that the mandate and role of the resident coordinator should be strengthened. In the interests of increased savings and the successful implementation of the operational activities of the United Nations system, and given the fact that the outcome thus far had fallen short of expectations, his delegation attached great importance to the ongoing efforts of resident coordinators to ensure closer involvement of the Bretton Woods institutions in operational activities, in particular at the field level. He therefore urged the vigorous pursuit of recommendations 24 and 25.

The meeting rose at 4.20 p.m.

UNITED NATIONS

General Assembly

FIFTIETH SESSION
Official Records

SECOND COMMITTEE
29th meeting
held on
Friday, 10 November 1995
at 10 a.m.
New York

SUMMARY RECORD OF THE 29th MEETING

Chairman: Mr. PETRESKI (The former Yugoslav Republic
of Macedonia)

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AGENDA ITEM 97: OPERATIONAL ACTIVITIES FOR DEVELOPMENT: (continued)

(a) TRIENNIAL POLICY REVIEW OF OPERATIONAL ACTIVITIES FOR DEVELOPMENT OF
THE UNITED NATIONS SYSTEM (continued)

AGENDA ITEM 102: IMPLEMENTATION OF THE PROGRAMME OF ACTION OF THE INTERNATIONAL
CONFERENCE ON POPULATION AND DEVELOPMENT (continued)

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The meeting was called to order at 10.15 a.m.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (continued)

Draft resolution on preventive action and intensification of the struggle against malaria in developing countries, particularly in Africa (A/C.2/50/L.10)

1. Mr. CABACTULAN (Philippines), introducing draft resolution A/C.2/50/L.10 on behalf of the Group of 77 and China, said that the international community should continue its efforts to eliminate the threat posed by malaria, particularly for the peoples of developing countries, including African countries, and drew attention to the conclusions adopted in that regard and the various measures taken to that end.

AGENDA ITEM 100: RENEWAL OF THE DIALOGUE ON STRENGTHENING INTERNATIONAL ECONOMIC COOPERATION FOR DEVELOPMENT THROUGH PARTNERSHIP (continued)

Draft resolution on renewal of the dialogue on strengthening international economic cooperation for development through partnership (A/C.2/50/L.11)

2. Mr. CABACTULAN (Philippines), introducing draft resolution A/C.2/50/L.11 on behalf of the Group of 77 and China, and also on behalf of Colombia, representing the Movement of Non-Aligned Countries, said that the deepening interdependence among countries and the increasing globalization of economic issues were new phenomena, and that it is essential to understand the impact they had, particularly on developing countries which often found themselves marginalized.

AGENDA ITEM 97: OPERATIONAL ACTIVITIES FOR DEVELOPMENT (continued) (A/50/113 and Add.1, A/50/254-S/1995/501, A/50/345, A/50/410, A/50/425-S/1995/787, A/50/475 and A/50/518)

(a) TRIENNIAL POLICY REVIEW OF OPERATIONAL ACTIVITIES FOR DEVELOPMENT OF THE UNITED NATIONS SYSTEM (continued) (A/50/202-E/1995/76 and Add.1-3)

3. Mr. COUTTS (World Food Programme) said that like other United Nations bodies the World Food Programme (WFP) had undertaken a certain number of reforms relating to policy, operations and resources in order to implement the relevant elements of General Assembly resolution 47/199.

4. The new mandate of WFP put it in the front line of the attack against hunger and poverty world wide. It also recognized the role played by women in tackling food insecurity at the household level and the need for broad-based participation. Interventions against hunger should make the connections between emergency relief and development; WFP should also, in that context, work in close collaboration with national and international partners. One way in which such collaboration was focused was through the elaboration of country programmes, which were a key tool for achieving greater impact at national level and encouraging greater interaction between WFP and its national partners in defining strategic priorities.

5. To carry out its mandate WFP must be backed by assured resource levels; that issue needed to be addressed along with those of transparency and accountability. A working group on long-term financing of WFP activities had made major progress in addressing those issues. A further major reform involved WFP's governance; its new Executive Board would meet for the first time in January 1996.

6. With regard to the links between emergencies and development, the first problem to be resolved was that of hunger, which stood in the way of both economic and human development. A few figures provided eloquent testimony to the importance of WFP in that regard: in 1993 its budget was in excess of \$1.5 billion, or more than 15 per cent of the total resources of the United Nations system, and in the first half of 1995 it had delivered emergency food assistance to over 11 million people at a cost of \$700 million, in collaboration with the High Commissioner for Refugees and the United Nations Children's Fund, among others. Food aid was a major resource of the United Nations system. Its special potentials and constraints should therefore be taken into account when discussing coordination, and it should be integrated with other resources in strategy development. In assisting the hungry poor WFP was motivated not only by economic rates of return but also by social considerations and it sought to develop relevant methodologies to integrate the two.

7. With regard to the operational effectiveness of WFP, he said that its interventions in developing countries were nationally executed. Its relationships with government counterparts were generally excellent, allowing it to develop strategies that often included elements of training and national capacity-building. It was also dedicated to closer coordination in the field at an administrative level; in order to reduce field office support costs it was also fully committed to strengthening the resident coordinator system.

8. Mr. NAMAKANDO (Zambia), speaking on behalf of the Southern African Development Community (SADC), said that the current triennial review of operational activities came at a time when development had assumed a high priority for the countries of SADC, which would therefore require more assistance from the United Nations system. It was regrettable that political commitment to the development agenda was waning and that the resources pledged continued their downward trend.

9. The Economic and Social Council had played an important role in overseeing the measures taken by the United Nations system to implement the resolutions pertaining to the triennial review. Since it had a comparative advantage over other bodies in the social and economic fields, it should be natural to expect new initiatives and greater dynamism to emerge from its deliberations. It should also facilitate the exchange of experiences from one agency to another in a timely and coordinated fashion.

10. With regard to the resident coordinator system, a wider participation by other agencies that were members of the Joint Consultative Group on Policy should be further encouraged and a careful analysis made of the priority needs of each country. The use of thematic coordinating groups could perhaps solve the problem. Agencies participating in the system should also share the financial burden of operating it. SADC commended the United Nations Development

Programme (UNDP) for having increased the resources allocated to the resident coordinator system for the next programming cycle. The system should recognize that the different mandates of the various participating agencies might impinge on their participation.

11. Country strategy notes were very important in enhancing the effectiveness of country programmes. In countries where they were still being worked on, the United Nations development system should continue to rely on existing national public investment programmes. With regard to regional strategy notes, the idea needed to be further developed with a view to establishing its usefulness, especially in the framework of inter-country programmes. It would be inappropriate to use country strategy notes as a basis, since they applied to the priority needs of individual countries.

12. The programme approach must be implemented with caution, bearing in mind that, in some cases, the project approach might still be the most appropriate modality. The definition of the programme approach needed refining since it varied from agency to agency. In that regard, SADC welcomed the efforts of the Consultative Committee for Programme and Operational Questions and was convinced that the reservations made by certain specialized agencies should be looked into.

13. It was unfortunate that little progress had been made on elaborating a common manual, as requested by the General Assembly in its resolution 47/199. He would like to see a speedy conclusion of that important work and a simplification and rationalization of United Nations procedures and practices.

14. National execution was essential because it encouraged the use of national resources, technologies and capacities. It must, nevertheless, be accompanied by a strengthening of national capacities, especially in the area of economic management, in particular in the least developed countries. Even after national execution had become the norm, the United Nations development system would still need to provide support. In addition, that idea needed to be defined more clearly because it was subject to varying interpretations by funds, programmes, and specialized agencies.

15. It was essential to simplify and harmonize the rules and procedures followed by the various agencies: the current diversity of approaches was hindering cooperation between Governments and the United Nations development system. Simplification and harmonization implied in particular decentralization and delegation of authority. The Bretton Woods institutions should also be a part of that process.

16. There had been a continued decline in the resources allocated to operational activities; that could only slow the pace and lessen the impact of the reforms called for in General Assembly resolution 47/199. It was unfortunate that some donor countries preferred to increase their contribution to non-core resources at the expense of central resources; the latter were the source of funding for most development activities. There was a need for a new financing system and a number of proposals in that regard were worthy of consideration.

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17. Mr. KHAN LEGHARI (Pakistan) said that although it could not endorse all the substantive points made by the Secretary-General in his report (A/50/202-E/1995/76 and Add.1-3), his delegation considered it to be a useful starting point for negotiations on the future of operational activities.

18. The triennial comprehensive policy review of operational activities came at a time when resources were declining sharply and the efficiency of United Nations development agencies was being called into question. Those two issues were closely tied to each other: when resources were no longer sufficient to achieve predetermined objectives and when, as was currently the case, funds were increasingly being earmarked for non-core activities, efficiency became an illusion. At the same time, many donor countries were reiterating that they could not increase funding until a marked increase in efficiency was demonstrated. The result was a classic catch-22 situation.

19. It would have made sense to withhold funds from United Nations agencies if they had remained indifferent to calls for greater efficiency. However, that was not the case: many successful reforms had been accomplished and new measures were constantly being taken, all in that direction. In fact, in some countries, there were voices calling for an end to United Nations development activities; for them, the question of reform appeared to be merely a pretext.

20. To remedy the situation, action was needed simultaneously on two fronts - the political level and the operational level. It was important to recognize that security was no longer defined as it had been in the cold war era: security was currently threatened by socio-economic problems - massive migrations, global epidemics and environmental degradation - which could only be resolved in the interest of all countries by multilateral action. At the same time, it was important to demonstrate that operational activities had a concrete impact on the life of the target populations; to do so, convincing evaluation procedures and methods had to be established. The impact of United Nations system activities ought to be evaluated in relation to the overall development objectives of each country. To be strictly impartial, the evaluation should be carried out by independent experts.

21. The above considerations showed how important it was to arrive at a consensus with regard to increasing resources on a predictable, continuous and assured basis, as stipulated in General Assembly resolution 47/199. In that connection his delegation endorsed the suggestion made by Algeria that the developed countries should commit themselves to multi-year negotiated pledges and that other ways to improve funding should be explored.

22. Other aspects of operational activities needed improvement. There was, for instance, a need to define more clearly the responsibilities of the executive boards of the funds and programmes in the United Nations system to ensure that they did not overlap with those of the Economic and Social Council and the General Assembly. In addition, those boards must determine and make known the impact of budgetary cuts and post reductions on the efficiency of the funds and programmes.

23. Coordination should be examined more thoroughly, bearing in mind that it was neither an end in itself nor always appropriate. In the field, it would be

useful to set up teams to coordinate such themes as poverty elimination, population and health. Field representatives should also ensure that they coordinated with existing Government structures, without imposing their own coordination mechanisms on Governments.

24. While it was useful to consider collaboration with the Bretton Woods institutions, care should be taken to ensure that United Nations agencies remained within their mandate, in particular with regard to the principles of universality and neutrality. United Nations assistance could not, under any circumstances, be linked to conditionality.

25. Finally, the delivery of assistance was dependent on the quality of the staff and, in particular, the leadership provided by the resident coordinator. One possibility would be to expand the pool from which coordinators were drawn; in their context a discussion could be initiated on the possibility of having a highly trained cadre of development experts from which the resident coordinators could be drawn.

26. Mr. SYARGEEU (Belarus) said that his delegation endorsed the new orientations of the United Nations with a view to, *inter alia*, promoting long-term development, reforming administrative structures in the public sector and safeguarding human rights.

27. Belarus was in favour of strengthening coordination in the area of technical assistance between the United Nations system and the Bretton Woods institutions and endorsed the recommendations contained in the report of the Secretary-General (A/50/202) that were aimed at enhancing that cooperation. Moreover, an active dialogue should be established between Governments and financial institutions in order to harmonize national strategies with World Bank and International Monetary Fund (IMF) policies for operational activities at the country level.

28. His Government welcomed the recent decision of the Economic and Social Council requesting United Nations funds and programmes to take into account the specific needs of the economies in transition. The situation of Belarus was especially troubling; in fact, its GNP per capita had declined by one third between 1992 and 1994 and, according to World Bank criteria, Belarus had joined the category of countries with below average incomes. Life expectancy and the birth rate had also dropped.

29. In that connection, he noted that the continued expansion of country programmes to cover States with economies in transition would promote their participation in the international system of economic and technical cooperation. In that regard, he recalled that the first United Nations Development Programme (UNDP) country programme for Belarus had been approved and was closely coordinated with programmes established by the Government to overcome its economic problems; that long-term programme was aimed at developing the country's internal capacities to achieve greater self-reliance.

30. He welcomed the dynamic measures adopted by the Executive Board of the United Nations Children's Fund (UNICEF) aimed at restructuring the organization's activities and its intention to employ a renewed strategy for the

execution of its activities in the region of Eastern Europe, the Commonwealth of Independent States (CIS) and the Baltic countries and to develop its activities in Belarus, the Russian Federation and Ukraine.

31. With regard to the question of national representation in the recruiting of international civil servants, his Government hoped that, as a founder member of the United Nations, UNICEF and UNDP, it would be represented in the secretariats of the latter two organizations, since none of its specialists had ever been represented there. It was to be hoped that the matter would be given constructive consideration soon.

32. In the light of the financial difficulties the Organization faced, his delegation supported the budget strategy of the United Nations funds and programmes, which might help to promote greater effectiveness and rationalize their efforts. It welcomed steps to eliminate duplication, reduce administrative costs, accelerate decentralization, strengthen the resident coordinator system and give greater importance to accountability and the monitoring and evaluation of programmes.

33. The participation of national staff in project execution should be emphasized. The training and use of such staff would provide advantages to beneficiary countries and also to organizations by enabling them to reduce the number of their own specialists. In that connection, he endorsed the view of the European Union on the need to improve the system for recruiting resident coordinators and to provide training to all staff at the country level. There should be a common representation at the country level for United Nations funds and programmes, with strategies and programmes of action that took into account the specific interests of States.

34. It was regrettable that certain restrictions, such as the lack of an adequate information system concerning resource allocation and the monitoring of programme execution, were impeding the restructuring of operational activities.

35. His Government endorsed recommendations 21 and 22 of the report of the Secretary-General, and had high hopes of the broader application of modalities for national execution of projects and programmes financed by the United Nations system. It was vital to improve the training of personnel in the field and harmonize the efforts of all partners, increase transparency with regard to the selection of the executing agency and simplify the procedures for the financing of technical services.

36. It was important to share the positive experience acquired within the framework of effective cooperation with the United Nations system through interregional technical cooperation projects; in that regard he noted the interesting experience of a project currently being carried out by the regions of Eastern Europe, the CIS and Latin America. The United Nations should encourage such initiatives.

37. With regard to the Chernobyl disaster, it was to be hoped that the coordination of United Nations funds and programmes in the field would be a priority of the UNDP resident coordinator in Minsk.

38. Mr. PANOV (Bulgaria), noting with satisfaction the progress achieved in the implementation of General Assembly resolution 47/199, said that much remained to be done in a number of areas. In that regard, coordination was essential, and there were several ways to strengthen it. First, the Economic and Social Council should play a more decisive role both in coordination and setting policy for operational activities. The resident coordinator system should be improved; the country strategy note was an instrument that would make it possible to strengthen that system. On the other hand, the proposed regional strategy note required further study.

39. The financing of operational activities had given rise to many questions, and it was difficult not to be alarmed by the declining resources; his delegation therefore appreciated the willingness of European Union member States to continue consultations on the matter. In the face of those difficulties, it was essential that United Nations funds and programmes revise their activities in order to achieve optimum results which would encourage donor countries to maintain their financial commitments.

40. Since the adoption by the UNDP Executive Board of its milestone decision 94/14, UNDP had been able to focus its activities on sustainable human development, as witnessed by the preparation of reports on that topic for 22 countries of Eastern Europe and the CIS. Decision 95/23 also represented a turning point, since it gave greater flexibility in the assignment of development funds for achieving improved performance in all categories of countries.

41. With regard to economies in transition, steps had been taken to allow them to increase their share in core resources and to provide bonuses to some countries which had just gained independence. Moreover, the former Regional Directorate for Europe and the CIS countries had become a Regional Bureau. It appeared, therefore, that after a period of hesitation, UNDP had decided to take into account the economic and social realities of those countries and was now assisting them in the preparation of development plans and programmes and the mobilization of resources. In that connection, his delegation was looking forward to the mid-term review of the country programme for Bulgaria.

42. Among other aspects of operational activities that his delegation considered to be a priority were monitoring, evaluation and financial accountability. It also attached particular importance to coordination with the Bretton Woods institutions, to humanitarian assistance and to emergency relief.

43. In conclusion, he stressed that the profound political and economic changes that had occurred in recent years had confirmed that peace, economic growth, environmental protection, social justice and democracy were all closely interdependent. His delegation welcomed the decisions and resolution adopted in support of countries with considerable economic problems resulting from their strict implementation of sanctions imposed by the Security Council on neighbouring States.

44. Mrs. GOMANOVSKA (Ukraine) said that she was pleased to note the expansion of operational activities for development in countries in transition, as well as the strengthening of the role of UNDP and UNICEF in that process. In order to

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increase the effectiveness of operational activities, it was essential to enhance coordination at the policy-making, inter-organization and country levels.

45. Her delegation welcomed the direction taken by the debate on operational activities in the Economic and Social Council. There was a need to encourage the adoption of innovative approaches with respect to the Council's work as the main intergovernmental coordinating body for activities in the economic and social fields. The Committee should give due regard to the recommendations on that matter contained in the Secretary-General's report. It was important to take into account the Council's strategic role with respect to country-level activities.

46. She noted with satisfaction the contribution of the Consultative Committee on Programme and Operational Questions (CCPOQ) of the Administrative Committee on Coordination (ACC) to the implementation of General Assembly resolution 47/199. In addition, she emphasized the need to harmonize the efforts of ACC members in carrying out operational activities.

47. It was also important to strengthen the resident coordinator system, which played a central role in enhancing cooperation by the United Nations at the country level. Indeed, it was essential that the resident coordinators should enjoy the support of the entire United Nations development system. She welcomed, in that respect, the decision by UNDP to allocate 1.7 per cent of its resources to support the resident coordinator system. Ukraine was in favour of expanding the country strategy note process, which facilitated the coordination of activities at the country level.

48. The effectiveness of cooperation in the field of development was ever more closely linked to the strengthening of national capacities. Her delegation supported the approach whereby the provision of assistance for capacity-building was seen as an indispensable element of development activities. At the same time, national authorities should play a decisive role in planning, coordinating and monitoring the technical assistance process.

49. Lastly, her delegation considered the evaluation, monitoring and follow-up processes to be priority areas in the implementation of operational activities policies.

50. Mr. SPETH (Administrator of the United Nations Development Programme (UNDP)) said that UNDP operational activities were country-driven and country-owned. UNDP would continue to take as its guiding principle the letter and spirit of the mandates entrusted to it by the intergovernmental bodies, the task of the Executive Board being to review country programmes. National execution would continue to be based, wherever possible, on national capacities, which would be reinforced, when Governments so requested.

51. Coordination was not an end in itself, but a means of enhancing the effectiveness of operational activities and strengthening their impact on people-centred development. That was the aim of the resident coordinator system, usefulness of which would be enhanced by the country strategy note. The decision to draft a note was left entirely at the discretion of national

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authorities, but it was encouraging to note that more and more countries were choosing to do so and were requesting that the terms of the notes should be refined. The country strategy note was also a valuable tool for mobilizing resources, as well as for promoting collaboration with the Bretton Woods institutions. Under no circumstances, however, were notes reviewed by the Executive Board, to which they were transmitted purely for reference.

52. Careful note had been taken of the comments made by various delegations regarding evaluation, monitoring, reporting and accountability. The Inter-Agency Working Group on Monitoring and Evaluation had created three subgroups on performance measurement, capacity-building for evaluation in programme countries and building accountability to clients. Their work would assist the United Nations agencies who would be involved in the follow-up to the resolution to be adopted on operational activities.

53. The harmonization and simplification of rules and procedures were concerns shared by all the executive heads involved in the Joint Consultative Group on Policy (JCGP) who based their consideration of current and future measures on the work of the JCGP groups dealing with those topics.

54. With regard to funding, the Secretary-General had recently observed that the total amount of official development assistance had slipped to its lowest level since 1973. Some claimed that only free trade and direct foreign investment could resolve the problems of the developing countries. That was one of the most pernicious myths. In fact, 75 per cent of direct foreign investment went to fewer than a dozen countries and only 6 per cent went to Africa. Thus, there was no correlation between the needs of developing countries and investment. Moreover the agreements concluded at the Uruguay talks would provide only limited benefits for those countries. Official development assistance was essential, therefore, to ensure successful development cooperation. It was indispensable for building capacities, mitigating the harsh effects of structural adjustment programmes and helping developing countries to take advantage of direct foreign investment and trade liberalization. Donor countries must therefore provide the necessary resources on a stable, regular and reliable basis.

55. Mrs. SADIK (Executive Director of the United Nations Fund for Population Activities (UNFPA)) said that the detailed and constructive discussions on item 97 had shown that, while in some areas there had been significant steps forward, in others the slow pace of progress must be investigated in the same spirit of reflection and willingness to respond to criticism which had guided all those involved in the drafting of the report on the triennial review.

56. It would be wrong to conclude, however, that the United Nations system had done nothing to enhance the coherence and coordination of its operational activities: there was a wealth of examples to the contrary.

57. CCPOQ had adopted a statement of the functioning of the resident coordinator system and guidelines on the involvement of non-field-represented agencies to be implemented in the near future. Briefing of resident coordinators had been improved, in particular through joint training courses. The selection process was wider and more transparent. The resident

coordinators' annual reports, now more regular and substantive, would, in the future, be reviewed in the light of the various organizations' concerns, and the coordinators had greater power in that all programmes required their final clearance. One of the areas in which their role could be enhanced was that of sectoral and thematic reviews involving bodies dealing with a specific question. Finally, their accountability should be reaffirmed.

58. The common interpretation of the programme approach and the guiding principles for a monitoring and evaluation methodology were already taking shape: various bodies had launched thematic evaluations, a joint database was being created and UNDP had established common monitoring principles.

59. The country strategy note, which remained optional, was still in its initial stage, but, whenever a country decided to prepare a note, all the relevant bodies would participate together. Substantial progress had been made with the harmonization of programming cycles, which was nearing completion, and in national execution, the joint framework defined by CCPOQ was now widely applied. It was true that not every country was able to assume complete responsibility for execution, but the aim was to achieve that goal gradually by systematically providing technical assistance activities which would give countries the necessary skills.

60. The area of decentralization presented more problems, since it was difficult to ensure coordination in the field between agencies that were accountable to different authorities. Some progress had been made, however, in the sharing of premises and services.

61. The key role of recipient countries in programme coordination and their national sovereignty in that area were fully recognized, as was the priority that must be given to the strengthening of national capacities and to the use of technologies and local capacities. There was also unanimous agreement on the need for predictable, assured and stable resources.

62. The new resolution to be adopted on the subject must nevertheless be realistic and durable. The idea of a common manual was therefore perhaps too ambitious, since common principles were required in any event to spare recipient countries the heavy administrative burden of preparing reports. An inventory should first be taken of the areas in which it would be useful to have common practices and those in which the same set of rules should be applied. Towards that end, all the rules and procedures already in force should be reviewed. For example, resident coordinators should have common rules governing salary payments, the amount of daily subsistence allowance, travel allowances and other staff-related rules.

63. With regard to the programming process, it was necessary to develop common databases, make use of existing situational analyses, apply the same methods for studying the impact of operational activities and hold consultations at each critical phase of the programming process, given that agencies would participate in the various mechanisms only in accordance with their respective mandates and in so far as their technical competence allowed. Common principles should also be agreed upon for follow-up activities, which would permit, *inter alia*, an annual choice of the sector to be evaluated, thereby helping the Economic and

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Social Council to more effectively coordinate all operational activities. Such a body of principles, procedures and common processes would permit the elaboration of a more coherent strategy tailored to the needs of each country's development plans and programmes. UNFPA would actively participate in those ongoing efforts to achieve greater coherence, effectiveness and impact.

64. Mr. DESAI (Under-Secretary-General for Policy Coordination and Sustainable Development) said that the report of the Secretary-General (A/50/202), which had served as the basis for the constructive debate on agenda item 97, was the fruit of a major effort of inter-agency collaboration and the result of a comprehensive opinion survey of all the partners concerned, recipient countries, donor countries and resident coordinators.

65. The connecting thread running through all the recommendations contained in the report was a concern to strengthen the national management of development and external assistance and to ensure greater harmony between the operational activities of the United Nations and national priorities and programmes. In fact, the strengthening of national capacities was at the heart of the debate on coordination and coherence.

66. Among the issues which, in the view of certain delegations, had not been adequately addressed in the report was the need to make more extensive use of technologies, expertise and other indigenous resources whose optimal use could help to reduce the cost of assistance and to make activities more relevant to local needs. Secondly, some delegations were of the view that the report did not give sufficient prominence to the role played by the General Assembly, although it contained recommendations on another aspect of the intergovernmental process, that of the relations between the Economic and Social Council and the executive boards of funds. In that connection, it should be recalled that it was already fully recognized that the General Assembly was the only organ competent to define the mandate of operational activities through the resolutions which it adopted, as could be seen from the fact that the debate on agenda item 97 had taken place in the Second Committee. With regard to the regional strategy note, it was clear that at the current stage the proposal was just an idea and that more in-depth study was required. Lastly, on the question of the delegation of powers, section F of the annex to the report showed that practices varied considerably from one country to another. Recommendations 1 to 4 concerning the relationship between the Economic and Social Council and the executive boards could define a framework within which a more uniform approach could be developed in that area.

67. Also welcome were the favourable views expressed on two important points which required even greater efforts, i.e., the elaboration of a common manual of procedures applicable to all agencies of the United Nations and evaluation and follow-up activities. In contrast, with regard to the country strategy note, certain delegations expressed concern that United Nations organs intruded on the prerogatives of countries. To eliminate any ambiguity in that respect, it was important to remember that the note was voluntary in nature, that it belonged exclusively to recipient countries and not to the United Nations agencies and that its principal objective, in addition to coordination, was to ensure that assistance was demand-driven and that it reflected the needs and requirements of

the development programmes, priorities and plans of each country, as General Assembly resolution 47/199 clearly provided.

68. Specific recommendations that were easy to implement should therefore be elaborated with due regard for the fact that the coordination exercise as a whole was doomed to failure unless the issue of resources was tackled.

69. Mr. VAHER (United Nations Children's Fund) expressed satisfaction at delegations' favourable reaction to the report of the Secretary-General (A/50/202), which was an excellent example of cooperation within the United Nations system in a complex field. He noted that a comprehensive range of elements that went into General Assembly resolution 47/199 remained intact, thereby creating an enabling environment for the implementation of the difficult multi-year changes that were considered to be indispensable. While there were certainly areas in which progress was still needed, in so far as there was near unanimity on many of them, he hoped that the resolution to be adopted at the current session would be clear, specific and unambiguous, which would facilitate its implementation and permit its results to be more easily evaluated.

70. General agreement was noted in such areas as national execution and capacity-building. Similarly, most delegations were of the view that United Nations agencies should aim for more effectiveness and closer integration and should maintain both the multilateral and the national character of programmes while at the same time developing a better system of funding.

71. Among the concerns most frequently mentioned were the need to simplify and harmonize the procedures used by the system in the areas of financial rules, accounting, personnel and procurement; the rules no longer reflected current conditions, especially in the financial field, owing to exchange rate fluctuations. Some delegations had also pointed to the need to extend the partnerships to the Bretton Woods institutions and other regional and international financial institutions, civil society and the private sector, and to the importance of more intensive follow-up and evaluation in cooperation with government representatives.

72. On the other hand, opinions were more diverse in other areas, whether they were related to general issues such as the global restructuring of the modalities of programme delivery or to specific questions such as the relationship with the governments of recipient countries, the role of resident coordinators, the use of the country strategy note and the question of funding. In those areas also, clear, durable and unambiguous language must be elaborated.

73. On the question of the single review committee, which was the subject of recommendation 10 of the report of the Secretary-General, UNICEF wished to respect the two main principles that governed its activities, namely, the fact that it operated on the basis of country programmes and that each beneficiary government was fully responsible for the elaboration of its programme. In addition, since UNICEF usually involved a wide range of partners in each stage of programme formulation, it did not wish to jeopardize that network of exchanges by adding another layer of bureaucratic process that might slow the preparation of country programmes.

74. On the question of evaluation, the secretariat of UNICEF approved recommendation 22 that the following triennial policy review should include an evaluation of the impact of operational activities. However, guidelines should not be laid down prematurely based on narrow experience. Emphasis should be placed rather on establishing a balance sheet of the successes and failures encountered in the course of the implementation of a given recommendation, using, where necessary, pilot projects which could provide useful experience for the elaboration of appropriate guidelines.

AGENDA ITEM 102: IMPLEMENTATION OF THE PROGRAMME OF ACTION OF THE INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT (continued)

Draft resolution on the implementation of the Programme of Action of the International Conference on Population and Development (A/C.2/50/L.9)

75. Mr. CABACTULAN (Philippines) introduced draft resolution A/C.2/50/L.9 on behalf of the Group of 77 and China, as well as of Colombia, on behalf of the Movement of Non-Aligned Countries.

The meeting rose at 12.35 p.m.

UNITED NATIONS

General Assembly

FIFTIETH SESSION

Official Records

SECOND COMMITTEE
30th meeting
held on
Monday, 13 November 1995
at 3 p.m.
New York

SUMMARY RECORD OF THE 30th MEETING

Chairman: Mr. PETRESKI (The Former Yugoslav
Republic of Macedonia)

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The meeting was called to order at 3.15 p.m.

AGENDA ITEM 95: SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (A/50/123-S/1995/228, A/50/254-S/1995/201, A/50/255-S/1995/504, A/50/400, A/50/407, A/50/425-S/1995/787, A/50/466-S/1995/817, A/50/475, A/50/487, A/50/518)

- (a) TRADE AND DEVELOPMENT (A/50/15 (Vols. I-IV), A/50/215-S/1995/475, A/50/341, A/50/439, A/50/486, A/50/740)
- (d) SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (A/50/125-E/1995/19 and Add.1, A/50/649)
- (e) IMPLEMENTATION OF THE PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES FOR THE 1990s (A/50/745, A/50/746)

1. Mr. ROSSIER (President of the Trade and Development Board) said that during the first part of its forty-second session, the Board had essentially focused on preparations for the ninth session of the United Nations Conference on Trade and Development (UNCTAD) which, on the offer of the South African Government, would be held in Midrand from 27 April to 11 May 1996. The Board had asked the Secretary-General of UNCTAD to make the necessary arrangements for the Conference and had approved a two-stage intergovernmental preparatory process: a special session of the Board to be held in December 1995 and a review of substantive issues in February and March 1996 for the purpose of preparing a draft text for the Conference. The Board had also recommended for the approval of the Second Committee a decision on the date and venue of the ninth session of the Conference.

2. At its most recent session, the Board, on the basis of the Trade and Development Report, 1995, had examined the international implications of macroeconomic policies and issues concerning interdependence. The delegations had commended the quality of the report, both in terms of its analysis and the willingness of its authors to address challenging issues from a fresh perspective. An informal exchange of views with a panel of eminent economists had contributed to an understanding of the problems of interdependence. The experts who had participated in the dialogue had, on the whole, been optimistic about long-term prospects for the world economy.

3. In the course of the deliberations, it was noted that short-term economic difficulties in some countries were curbing international economic growth during the current year. Some of those difficulties were due to turbulence in the financial markets while others were the result of specific economic policies at the national level.

4. Most of the participants commented on the recent rapid expansion of international financial markets. It was also recognized that while private capital flows to developing countries could make an important contribution to their growth and development, a large part of the flow was in the form of portfolio investments rather than direct investment in production and was overly volatile. It was also recognized that capital was being distributed unevenly

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among developing countries and that it was precisely those countries most in need of capital which had the most difficulty in attracting it.

5. During the discussions it was agreed that the problem of unemployment in the industrialized countries was a very real one, which might eventually lead to doubts about the benefits of having a more open world economy. A number of delegations stressed the different nature of unemployment in developing countries and in developed countries. Delegations from countries with economies in transition noted that their unemployment rates were extraordinarily high.

6. The report concluded that an increased flow of manufactured exports from developing to industrialized countries was not the cause of labour market problems in the latter. That conclusion was broadly supported by the delegations, a number of which pointed out that exports to developing countries was, in fact, an important source of employment in the developed countries. Better commodity prices, increased development assistance and new measures for alleviating the debt burden would enhance the import capacity of the developing countries and, as a result, help reduce unemployment in the developed countries.

7. Many delegations from both developed and developing countries took the view that the liberalization of international trade was not the cause of the problem, and there was agreement that protectionist measures would be detrimental to economic growth world wide. While it was also generally agreed that improved economic growth would help reduce unemployment, delegations from the developed countries pointed out that any attempt to accelerate economic growth would have to be assessed in terms of its credibility for the financial markets and its effects on inflation.

8. The report's conclusions, in addition to findings by other international organizations, confirmed that the true causes of unemployment had to do with problems of supply and demand. It was generally recognized that a multi-faceted and prudent approach to the problem was needed in order to maintain the existing macro-economic balance and that it must be implemented in conjunction with measures to strengthen supply, such as better training, increased labour mobility and greater wage flexibility.

9. Most delegations viewed the recent experience of the Latin American countries as having relevance for other developing countries and many delegations noted with interest the report's analysis of the financial crisis in those countries. There was general acceptance of the conclusion that significant fluctuations in flow of short-term liquid capital and the instability of exchange rates might give rise to macroeconomic management problems in all countries, including the developed countries. The view was expressed that despite their short-term volatility, recent private capital flows might be more sustainable than the bank credits provided in the 1970s and that the difficulties experienced by some Latin American countries were temporary.

10. Some delegations did not agree with all aspects of the report's analysis of policy reforms. One delegation questioned some of the figures presented as well as the conclusions based thereon.

11. The Board also took note of the progress report by the UNCTAD secretariat on specific actions related to the particular needs and problems of land-locked developing countries and the report of the Second Meeting of Governmental Experts from Land-locked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions. The Board endorsed the conclusions and recommendations contained in the report of the Second Meeting of Governmental Experts, and had decided to transmit that report, as well as the progress report by the UNCTAD secretariat and the comments thereon, to the Second Committee.

12. The Board also took note of the report by the UNCTAD secretariat on developments in the economy of the occupied Palestinian territory and, in accordance with General Assembly resolution 47/445, decided to annex the summary of the discussions under that item to its report to the General Assembly.

13. UNCTAD was and would continue to be an organization critical to the development process. Its ninth session would provide a unique opportunity to ensure that all countries would benefit from the implementation of the concepts of globalization and liberalization. In the context of the major transformations resulting from the end of the cold war, UNCTAD had succeeded in meeting the challenge of change in the United Nations system; it understood the process of change, recognized its complexity and had started to prove its capacity to deal with it. That was why he was optimistic, and was sure that the forthcoming ninth session would offer an opportunity for UNCTAD to renovate its mechanisms and establish new forms of cooperation, particularly with the World Trade Organization.

14. Mr. RICUPERO (Secretary-General of the United Nations Conference on Trade and Development) said that in 1995, the Trade and Development Board of UNCTAD had decided to examine, in the context of its discussion of interdependence, the linkages between levels of economic activity and employment in the industrialized world, global financial instability, trade flows and relations, and their implications for the development prospects of developing countries.

15. With regard to the first item, namely, unemployment, he noted that the fall in the rate of growth of output in the industrialized countries would not be helpful to the efforts to solve the problem, which in many cases was very serious. At the same time, the notion was gaining ground in some quarters that unemployment was the result of the growth of imports of cheap, labour-intensive manufactures from developing countries, and that the solution was to impose trade barriers. Such a response would defeat the efforts of countries to step up development through integration in the world economy, and could lead to new trade conflicts, since it implied that unemployment in one country could only be reduced at the expense of its trading partners. Trade provided a superficial explanation for unemployment. The main reason for the phenomenon was the much lower level of growth and investment in the industrialized world. Thus, in tackling unemployment, the desirable approach should not be to interfere with trade, but to raise the tempo of investment and growth.

16. Over the past two decades, there had been a significant slow-down in capital formation in the industrialized countries. That was due to the macroeconomic environment, which had been shaped by restrictive monetary

policies accompanied by wide-ranging financial deregulation, and had pushed up capital costs to unprecedented levels. Financial deregulation had also had the undesirable side effect of increasing the volatility of interest rates and exchange rates. In consequence, consumption, along with export and import flows, had also become more unstable, and the resulting uncertainty about the evaluation of aggregate demand had discouraged private investment.

17. Businesses, in order to invest, needed improved demand expectations. If Governments and central banks set too low a ceiling for the growth of the economy, firms would not expand their capacity and, as a result, unemployment would mount. While a faster pace of demand expansion could raise the possibility of higher inflation, it seemed that a careful handling of macroeconomic policies could achieve higher levels of growth without jeopardizing the gains achieved by the countries belonging to the Organisation for Economic Cooperation and Development. Investors should be provided with lower capital costs and a more stable financial environment. Monetary policy should aim at establishing low and stable interest rates and stable exchange rates. Coordinated, intergovernmental measures to increase the cost of currency speculation could be one solution.

18. He pointed out that financial instability not only had an adverse impact on real economic activity and the scope for macroeconomic policies in the developed countries, but it also affected the performance of developing countries. The UNCTAD secretariat had raised that issue consistently over the past few years, and had warned that the surge of capital flows to Latin America had in several cases consisted of massive receipts from privatization and of liquid short-term capital attracted by high interest rates and real currency appreciation. At present, capital flows had resumed at more modest levels to several countries in Latin America; however, the fragility and volatility of those flows would continue to require careful monitoring by Governments.

19. Establishing a basis for sustained growth in developing countries required that policy reforms should succeed in improving competitiveness, raising the rate of private investment, and increasing infrastructure investment. The experience of several countries in Asia had shown that the introduction of capital controls to avoid speculative short-term flows unrelated to trade and investment could be an important tool for assuring a more stable macroeconomic environment.

20. With respect to preparations for the ninth session of UNCTAD, pre-conference intergovernmental deliberations had begun, with a view to building consensus around the main elements of the possible outcome of the session.

21. The main theme of the ninth session was grounded in the realization that the twin processes of globalization and liberalization offered great opportunities for development. At the same time, they represented multifaceted challenges for the international community and for the developing countries in particular. The Conference should therefore identify ways of maximizing the development impact of globalization and liberalization while minimizing the dangers of instability and marginalization.

22. The High-level Intergovernmental Meeting on the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s had enabled member States to reaffirm the validity of the Programme of Action as well as the commitment of the international community to support the least developed countries through accelerated efforts. As regarded science and technology for development, the evolution that had occurred in recent years in the perception of technology issues had not made it possible to advance in the discussions on an international code of conduct on the transfer of technology. The General Assembly might therefore wish to suggest an examination of recent developments in order to reconcile past differences.

23. Introducing the report on economic measures as means of political and economic coercion against developing countries (A/50/439), he said that it reviewed the major conceptual issues as well as methods to prevent the use of coercive economic measures, and could provide a solid basis for action by the Committee.

24. Concerning the role of UNCTAD in the field of trade since the creation of the World Trade Organization (WTO), he said that the main functions of WTO were to facilitate the implementation, administration and operation of the Uruguay Round agreements, to administer the system for the settlement of disputes that might arise in connection with the disciplines introduced by the agreements, and to provide a forum for negotiations of further multilateral rules and disciplines in trade-related areas. For its part, UNCTAD could provide a universal forum where international trade policy could be analysed and discussed from a development perspective. Furthermore, UNCTAD and WTO could work together and complement each other in technical cooperation activities aimed at integrating developing countries and countries in transition into the international trading system. Action had already been taken to begin to make that complementarity a reality: every six months there would be meetings between UNCTAD and WTO chaired jointly by the two heads; working relationships at all levels between the two organizations would be strengthened in areas such as research, trade and investment, trade and competition, trade and the environment, and trade and development; greater complementarity would be sought in technical cooperation between WTO, UNCTAD and the International Trade Centre (ITC), and also with other agencies, with the aim of improving coordination across the board and making better use of resources; measures would be adopted to help the least developed countries, and African countries in particular, increase their export-oriented production and improve diversification of their export production and markets.

25. There was an increasingly recognized delineation of functions between UNCTAD and WTO and it was up to Governments to map out the responsibility of each institution in furthering international trade, a task which should also include the International Monetary Fund (IMF), the Organisation for Economic Cooperation and Development (OECD), the World Bank, the regional banks and many other agencies active in trade matters.

26. Mrs. KING-AKERELE (United Nations International Development Organization (UNIDO)), introducing the Secretary-General's report on implementation of the programme for the Second Industrial Development Decade for Africa (1993-2002), recalled the resolutions which provided the legislative basis for the report,

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including General Assembly resolution 49/107, which had reaffirmed the importance of industrialization as a dynamic instrument of growth essential to sustainable economic and social development of developing countries, particularly in Africa, and had recognized the need for increasing the integration of African industry in world manufacturing. In the same resolution, the Assembly had also called for the support of the international community in achieving the goals of the Second Decade and had called upon the African countries to continue to undertake appropriate measures to promote economic growth and sustainable development, including the promotion of a favourable climate for foreign investment. UNIDO had been requested to give full assistance to improving the competitiveness of the industrial sector in Africa, in the light of the results of the Uruguay Round.

27. The First Industrial Development Decade for Africa (1980-1990), which had been extended for two years, had been based on certain fundamental ideas and principles: firstly, the will of the African people to change the deplorable situation in Africa and become equal partners in the international community; secondly, the reaffirmation that the goals of self-reliance and self-sustainment in the Lagos Plan of Action should be achieved through industrialization without detriment to agricultural growth and output or the environment; thirdly, the need for domestically based self-sustaining industrial development; and fourthly, the implementation of industrial policies by creating required infrastructure and promoting an enabling environment, with the participation of the private sector. The development strategies of the first Decade were based on State action and the use of the public sector as an instrument of development. However, its achievements had been meagre, as it had been hampered by the very unfavourable economic circumstances in the 1980s.

28. In contrast, the Second Industrial Development Decade for Africa (1993-2002), while having goals similar to the first Decade, was based on a strategic approach whereby each member country was involved in preparation of its own national programme on a realistic foundation. It was important to note that the Second Decade was taking place in a very different environment, where the private sector was expected to play a greater role as the engine of growth, and at a time when structural-adjustment programmes were under way in a number of African countries.

29. The next decade was expected to be a period of increasing interdependence of countries and markets, and industrial development would be accepted as an ongoing need. Accelerated industrialization of developing countries must remain an essential prerequisite of socio-economic transformation and a crucial tool for reducing tensions and political conflict in the global economy. Manufacturing value added was expected to grow at twice the rate of world gross domestic product, almost 7 per cent annually. That meant that the share of the developing countries in world manufacturing value added would increase to over 30 per cent by 2005. At the same time, the developing countries' share of world manufacturing exports would increase from 24 per cent in 1995 to over 35 per cent in 2005, but nearly all the increase would be accounted for by certain countries in Asia.

30. As a result of the Uruguay Round agreements, global trade would expand and global interdependence would increase. There would be considerable potential

for semi-industrialized developing countries to increase their share of world trade, but the African, Caribbean and Pacific countries would need to raise the efficiency and competitiveness of their manufacturing sector, particularly their small and medium-sized enterprises, if they were to compete in open markets. For the least developed countries and the African, Caribbean and Pacific countries with weak industrial bases, policy and institutional support would be needed to improve productivity, quality and standards, develop human resources and information and access to financing. The role of technology would be more and more crucial. All countries would have to formulate and implement national programmes on technological competitiveness, especially the developing countries, whose programmes must incorporate a national vision where technology was a determinant of competitiveness. At the same time, creation of new employment opportunities must continue to have the highest priority in growth programmes of most developing countries. The growth of manufacturing industry, especially at the level of small and medium-scale enterprises, had a crucial role to play in employment generation. It could be asked how Africa, with its weak industrial base, would cope with those demands. The basic structural transformation implied by the Second Decade was still some way off, because there continued to be a lack of industrial linkage in most African countries, which was evident from the fact that Africa's share of world manufacturing value added, after having risen from 0.7 per cent in 1970 to 1 per cent in 1982, fell to 0.8 per cent in 1994.

31. The joint report prepared by UNIDO and the Economic Commission for Africa (ECA) contained some responses to those problems and described their efforts to strengthen Africa's industrial infrastructure and base. In the area of private sector development, UNIDO and UNDP, in cooperation with ECA and the African Business Round Table, organized in Botswana in June 1995 the first forum on the private sector to address the main problems of industrial development and industrial competitiveness and the potential for private sector participation. UNIDO also undertook in the closing months of 1994 to review missions of programmes in the industrial sector in 14 African countries, with ECA participation in certain cases, for the purpose of assessing the status of industry and the priorities of the countries concerned in order to determine the services that UNIDO could provide in relation to the priorities of the Second Decade and the objectives of the Organization. Similar missions were currently under way in eight countries of Africa.

32. As for the implications of the Uruguay Round agreements for the industrial sector of Africa, UNIDO had prepared an analytical assessment which had been submitted at the international conference on the Uruguay Round of multilateral trade negotiations held at Tunis in October 1994. Further support in that area was planned in the coming year.

33. The Investment Promotion Programme which UNIDO had implemented in Africa had yielded some interesting results in the identification, formulation and promotion of investment projects, including the organization of investment forums. Such meetings had been organized for the Preferential Trade Area subregion, Madagascar, Zanzibar and Ghana. Those forums had promoted the creation of joint ventures and 36 investment projects, for a total value of \$2.5 billion.

34. During the period under review, ECA had organized five expert group meetings where high-level African experts had an opportunity to discuss and share experiences on specific topics and review technical publications prepared by ECA.

35. In conclusion, it was worth noting the recommendations regarding the programme for the Second Decade made at the OAU/United Nations System Cooperation Meeting held on 9 November in Addis Ababa; the organizations of the United Nations system should intensify their assistance to African countries and organizations in the implementation of the programme for the Second Decade; those organizations, including the World Trade Organization, should cooperate with the joint committee of OAU, ECA and UNIDO in studying the implications of the Uruguay Round on African industry; and United Nations agencies should assist OAU in strengthening its Industry Division.

36. At that meeting, UNIDO had been selected as one of the lead agencies in the organization of seminars to study the effects of the Uruguay Round agreements for the benefit of the African business community, chambers of commerce, manufacturers' associations and senior trade officials. UNIDO was also called upon to cooperate with OAU in the organization of an investors' forum during the seventh all-African Trade Fair, to be held in Nigeria in November 1996. ECA, the African Development Bank, UNEP and other relevant organizations were requested to intensify their assistance to African countries in carrying out environmental-impact assessments of industrial investment programmes.

37. Ms. NORDHEIM-LARSEN (Minister of Development Cooperation of Norway) said that, at the High-Level Intergovernmental Meeting on the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s, a declaration and a document (A/50/746) were adopted containing an assessment of the progress made in the implementation of the Programme of Action and recommendations to ensure that it would be more effectively implemented throughout the rest of the decade.

38. The participants in the Intergovernmental Meeting reaffirmed the commitment to support the least developed countries in their efforts to overcome their current difficulties, and to work cooperatively towards reactivating and accelerating their development and growth on a basis of shared responsibility and strengthened partnership. While it was noted that, as a group, the least developed countries had not been able to meet many of the objectives of the Programme of Action, it was encouraging to note that nearly one quarter of those countries had attained positive per capita income gains in the early 1990s.

39. The Meeting identified broad outlines of a domestic economic policy framework and emphasized the need for macroeconomic stabilization, which would require rationalization and sound management of public expenditure, properly planned monetary growth and maintenance of appropriate exchange rates to ensure a sustainable external balance.

40. High on the policy agenda was the need for strengthening incentives to promote and support the private sector and to formulate new policies where necessary, which should be complemented with public sector investment. It was recognized that the growth of a dynamic private enterprise sector required an

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appropriate legal, economic and fiscal framework with stable and predictable policies, together with tax, monetary and trade policies that ensured adequate incentives for investment and a legal system that protected property rights and commercial contracts.

41. Although a large number of the least developed countries had adopted national regulatory frameworks conducive to foreign investment, the results had not yet become significant, and the Intergovernmental Meeting had urged the sources of foreign investment to support country measures in that area.

42. With respect to human resource development in the least developed countries, the broad guidelines for the recommended measures included intensifying efforts to raise education and training standards, promoting life-long learning, improving the health status of the population and strengthening the status of women by implementing appropriate policies in accordance with the provisions of the International Conference on Population and Development and the Fourth World Conference on Women. In specific terms, it had been agreed that the Governments of the least developed countries, in cooperation with international financial institutions and other international organizations, should protect basic social programmes and expenditure from budget reductions and further promote policies enabling small enterprises, cooperatives and other forms of micro-enterprises to develop their capacities for income generation and job creation.

43. With regard to external trade, the Intergovernmental Meeting undertook an in-depth assessment of the trade performance of the least developed countries, analysed the implications for them of the Final Act of the Uruguay Round and agreed on a series of supportive measures to help them to diversify their trade and exports.

44. The Meeting also called for concrete action, consistent with the Final Act, to implement fully and expeditiously the aspects of the Marrakesh Declaration relating to the least developed countries and the Ministerial decisions on those countries and on net food-importing countries. Consideration should be given to further improvements in Generalized Systems of Preferences schemes, flexible and supportive implementation, in the case of the least developed countries, of all the rules of the Final Act, including anti-dumping and countervailing measures, safeguards and rules of origin, and meaningful increases in opportunities for textile and clothing exports, services and trade with other developing countries.

45. Note was taken of the interest of the least developed countries in the establishment of a safety net to help them cope with any adverse effects resulting from the implementation of the Uruguay Round agreements, and priorities for technical assistance in implementing the Final Act were identified. The need to strengthen cooperation among UNCTAD, the World Trade Organization and the International Trade Centre was emphasized, with a view to avoiding duplication and making full use of the potential of those organizations.

46. The Intergovernmental Meeting urged donors to implement expeditiously the agreed menu of aid targets or commitments set out in the Programme of Action and

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recognized the need to ensure adequate funding of multilateral institutions and programmes and to continue to give high priority to the least developed countries in the operational activities of the entire United Nations system.

47. The Intergovernmental Meeting agreed that the international debt strategy should include concrete measures to alleviate the debt burden and increase concessional financing. Donors were urged to adopt measures to reduce substantially the bilateral debt of the least developed countries and to implement fully resolution 165 (S-IX) of the Trade and Development Board. Creditors who were not members of the Paris Club were invited to take measures similar to the Naples terms. The Bretton Woods institutions were encouraged to develop a comprehensive approach to the multilateral debt of those countries, through the flexible implementation of existing instruments and new mechanisms where necessary. With respect to commercial debt, creditor countries, private banks and multilateral financial institutions were invited to consider continuing the initiatives undertaken, mobilize resources for the Debt Reduction Facility that could receive financing only from the International Development Association (IDA), and develop and implement techniques of debt conversion applied to social development programmes and projects.

48. The potential of economic and technical cooperation between the least developed countries and other developing countries was discussed at the Meeting, and the international community was called upon to help the former in establishing trade links and to support such trade at all levels. Such cooperation was seen as critical in complementing the actions taken by those countries and their development partners in attracting foreign investment.

49. The international community must rise to the challenge of the effective implementation of the outcome of the High-Level Intergovernmental Meeting, as well as the conclusions and recommendations relating to the least developed countries adopted by the major global conferences. For its part, the Government of Norway had offered to host a working group meeting on the 20/20 initiative formulated at the World Summit for Social Development in Copenhagen, with a view to making it more concrete and operational.

50. Mr. MANALO (Philippines), speaking also on behalf of the Group of 77 and China, said that in their view the heart of the issue of international trade and development was the urgent need for all States to show the requisite political will to ensure an open, rule-based, equitable, secure, non-discriminatory, transparent and predictable multilateral trading system. The fiftieth session of the General Assembly gave Member States an opportunity to reaffirm their commitment to trade liberalization, including the substantial reduction of tariff and non-tariff barriers, to eliminate discriminatory and protectionist practices and to improve the market access of all countries.

51. The Group of 77 and China also reiterated the need for full implementation of the Uruguay Round agreements and for full realization by all Member States, especially the developed nations, of the commitments agreed upon in the Final Act. Positive action was needed to help developing countries secure a share of international trade commensurate with their development needs, as was action to mitigate any adverse effects that the implementation of the agreements might have on them, including measures such as compensation, enhanced market access

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and financial and technical assistance aimed at international economic transformation, especially in the case of the African countries.

52. The Group of 77 and China thus rejected unilateral protectionist actions, particularly any taken after the Marrakesh agreements, that were inconsistent with the multilateral trade agreements and with the provisions of General Assembly resolution 49/99. They further rejected the application of protectionist measures under the guise of new concepts that tried to establish links to national standards relating to the environment, labour law, human rights and other social issues through the application of arbitrary trade measures and bilateral pressures against developing countries. It was urgent to act effectively to eliminate the use of such unilateral coercive measures, which were not authorized by the competent United Nations organs and were inconsistent with the principles of the Charter.

53. The Group of 77 and China welcomed with appreciation the generous offer made by the Government of South Africa to host the ninth session of UNCTAD, which in their view would be a major intergovernmental economic and development event within the United Nations, with the potential for broadening the commitments made in Cartagena and advancing the development dialogue through the adoption of action-oriented measures and decisions. Member States were thus urged to participate at the highest political level. The ninth session would also be a means of strengthening UNCTAD as an institution and consolidating its role as a focal point and a forum for analysing and building consensus on trade and development, given the enhanced importance of UNCTAD since the establishment of the World Trade Organization. The recent appointment of the Secretary-General of UNCTAD had been a positive step in that direction.

54. UNCTAD should also closely monitor developments in the international trading system and their implications for developing countries, and should intensify its technical assistance, especially to the least developed countries, African countries, small island developing countries and land-locked and transit developing countries, to enable them to participate effectively in the international trading system. The UNCTAD and World Trade Organization secretariats should establish working relations in order to help developing countries implement the Uruguay Round agreements.

55. UNCTAD should be asked to continue playing a special role in the field of trade and the environment, with a view to ensuring transparency and coherence in the formulation of mutually supportive environmental and trade policies. In close cooperation with other competent bodies and with the Commission on Sustainable Development, UNCTAD should submit a report on the question to the substantive session of the Economic and Social Council in 1997.

56. The Group of 77 and China felt strongly that the General Assembly must at the current session clearly establish the mandate of UNCTAD, thereby making it a more effective instrument for promoting development.

57. They expressed their deep concern at the deteriorating social and economic condition of the least developed countries and asked that priority be given to fulfilling the many international commitments relating to them, especially those set out in the Paris Declaration. Action on the matter should take full account

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of the assessment and recommendations adopted at the High-Level Intergovernmental Meeting on the Mid-term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s.

58. The international community must give priority to the following: the immediate fulfilment of the official development assistance target of 0.15 per cent of the gross national product of donor countries; the application of the decisions taken at the Marrakesh Ministerial Meeting of the Trade Negotiations Committee on behalf of the least developed countries and the creation of a safety net to enable them to overcome the adverse impact of implementing the Uruguay Round agreements; and the application and effective implementation of support measures for the least developed countries, as provided by the United Nations Conference on Environment and Development, the International Conference on Population and Development and other major international conferences and agreements.

59. The Group of 77 and China also underscored the need for developing countries to participate in the rapid advances in science and technology, and benefit from them. The international community must help them to do so, bearing in mind that the transfer of technology should not be left solely in the hands of the private sector or depend solely on market prices and should be directed towards enhancing the productivity and competitiveness of the developing countries in the world market and improving their quality of life. It should also be emphasized that their access to environmentally sound technology needed to be financed and such technology needed to be transferred on concessional and preferential terms. In addition, national information centres should be established or strengthened in the developing countries and there should be an exchange of information among them at the subregional, regional and global levels.

60. Lastly, the Group of 77 and China stressed the urgent need to strengthen the coordinating role of the United Nations in international cooperation, technical assessment, monitoring and forecasting in the area of science and technology.

61. Mr. GÓMEZ-ACEBO (Spain), speaking on behalf of the European Union on agenda item 95 (e), said that the High-Level Meeting held in September and October to conduct the mid-term review of the Programme of Action adopted at the Second United Nations Conference on the Least Developed Countries held in Paris in 1990 had succeeded in focusing attention on the situation of those countries. A document adopted at the Meeting contained various recommendations on trade, external financing and foreign debt, which if implemented could help their situation to continue to improve.

62. Despite the differences between them, the least developed countries as a whole had rates of economic growth that were encouraging. Since 1992, they had managed to increase their foreign trade by a third, owing in part to higher prices for commodities other than petroleum. Nevertheless, despite efforts to improve social conditions, the results had been uneven and little headway had been made in overcoming structural deficiencies and problems connected with the development of human and institutional resources.

63. While many of those countries had progressed towards democracy, in some of them civil conflicts, political instability and natural disasters had given rise to emergencies and human tragedies. Political stability, the establishment of democratic systems, the promotion of and respect for human rights and fundamental freedoms and transparency and responsibility on the part of Government were prerequisites for sustainable development, as was the participation of all sectors of society, particularly women.

64. Convincing reasons existed for supporting the structural adjustment programmes undertaken by many of those countries in the 1980s, although their effectiveness had on occasion been undermined by structural weaknesses and a low level of development of human resources. The processes of reform needed to focus on the specific capacity, the needs and the individual social conditions of each country. The reform of agriculture, a sector which accounted for 40 per cent of the average gross domestic product of those countries, and investment in transport and communications were vital for improving productivity and expanding the basic social sectors.

65. The full implementation of the programmes of action adopted during the recent round of international conferences would also contribute to improving the current situation. The effective implementation of the recommendations contained in the Copenhagen Programme of Action, for example, should gradually help to reduce poverty.

66. In the context of the follow-up activities to the Beijing Platform for Action, stress should be laid on the eradication of poverty among women and the adoption of measures to guarantee respect for the human rights of women.

67. Support must also be given to the least developed countries in their efforts to improve their food security programmes and strategies by increasing productivity and sustainable agricultural output, preventing environmental deterioration and reducing instability in export earnings.

68. The European Union and its member States were among the chief donors to the least developed countries. In 1993, their combined contributions had accounted for 58 per cent of the total aid donated by OECD countries and 0.12 per cent of the average GDP. At the start of 1995, agreement had been reached on revising the Fourth Lomé Convention for the African, Caribbean and Pacific States, and would take the form of \$19 billion in aid, or an increase of 22 per cent compared with the past five years.

69. The European Union reaffirmed its commitment to the objective of earmarking 0.7 per cent of GNP for official development assistance (ODA) and of endeavouring to raise that proportion to 0.15 per cent of GNP, and, in the case of donor countries which had already met that target, of reaching 0.20 per cent of GNP by the year 2000. That assistance should go as a matter of priority to the poorest countries and the poorest sectors of society.

70. Mr. ISAKOV (Russian Federation) shared the view that the completion of the Uruguay Round of GATT and the establishment of the World Trade Organization (WTO) had opened up favourable prospects for the liberalization of international trade and the strengthening of its stability and predictability. Despite the

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difficulties of the transitional period, the Russian Federation had made considerable progress in liberalizing its foreign trade. Quantitative import restrictions had been removed, and customs tariffs were the only means of regulation, while a preferential regime had been introduced for the developing and the least developed countries.

71. The Russian Federation's full participation in WTO was one of the key elements of its strategic policy for integration into the world economy. It continued to be concerned, however, about the remaining and, in some cases, growing protectionism in respect of its own exports and those of other economies in transition which were substantially jeopardizing efforts to reform the economy and democratize society. It did not seek special privileges but only wished to compete with other countries on an equal footing.

72. His delegation, like the representatives of other countries with economies in transition, believed that it was necessary to reflect that situation in the resolution on international trade which would supplement the relevant provisions of the resolution on the same subject adopted at the forty-ninth session of the General Assembly.

73. With the entry into force of the Uruguay Round agreements on 1 January 1995 and the establishment of WTO, the lengthy and complicated process of establishing a universal multilateral trade system had been completed. The establishment of WTO, however, should not undermine the activities of other United Nations agencies, especially UNCTAD, where supplemental activities based on comparative advantages were concerned. The agreement reached in November 1995 between the Secretary-General of UNCTAD and the Director-General of WTO on the coordination of measures on the part of both organizations was encouraging. UNCTAD occupied its own niche in multilateral efforts to develop international trade. In particular, its technical assistance to Member States in areas as diverse as strengthening export potential and increasing trade efficiency, for example, was extremely valuable.

74. With reference to the extension of the scope of WTO activities compared with those of GATT, the significance of the analytical activities of UNCTAD in the search for new trade and economic opportunities for various groups of countries stemming from the Uruguay Round agreements was becoming more apparent. UNCTAD had also proved that it was a unique forum for raising new multisectoral issues and working out common approaches for solving them.

75. Although his delegation generally considered that the work of the Commission on Science and Technology for Development (CSTD) could be evaluated positively, it was of the opinion that its activities should be updated so as to take better account of the main trends in international development.

76. The inclusion in the agenda of the third session of the Commission of an item on information technologies and their effects on development was timely. Particular importance should be attached to the creation of a global information network and the establishment of a CSTD database on the Internet on national science and technology policies and strategies, stable and ecologically sound energy systems and other matters. It was important to ensure access by all interested countries to the Internet to provide them with the necessary

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technical assistance in accordance with Economic and Social Council resolution 1995/4.

77. His delegation specifically wished to propose the study of the feasibility of the following projects in the promising area of the development of the scientific and technical aspects of conversion: study of international experience in organizing and managing the conversion process in military research and development and in the use of dual-purpose technologies, particularly with a view to developing ecologically sound technologies; study of the possibilities of using conversion technologies for creating a global information network; creation of an international database of research institutions and conversion experts in accordance with Economic and Social Council resolution 1995/4 and General Assembly resolutions 49/67 and 49/68.

78. Lastly, the notion of global economic, food and environmental safety was inseparable from that of safety in international science and technology. Achieving that objective must be one of the main goals of the future work of CSTD.

79. Mr. RONNEBERG (Marshall Islands) said that his delegation endorsed the statement made by the Group of 77. His country was a member of the United Nations Commission on Science and Technology for Development and had actively participated in the work of the sessions of that body. The Commission was performing as expected, but some comments were in order on its future work. Firstly, as was stated in the report by the Secretary-General contained in document A/50/649, the Commission needed to redefine its methods of work, since the excessively vague instructions given to it in the past had tended to result in long debates on procedural issues. His delegation endorsed the new methods of work and hoped that they would prove useful.

80. Secondly, the Commission on Science and Technology for Development had yet to carry out an evaluation of the technologies which were available to the developing countries. In his delegation's view, that task was a fundamental part of its mandate. The Commission should foster cooperation and facilitate contacts to that end.

81. Furthermore, the Commission should be given clear and unequivocal instructions. His delegation would do its utmost to ensure that that was done. In the future national delegations should be in a position to pose specific questions of a scientific and technical nature and to receive replies that were more than merely theoretical.

82. Mr. RAHMAN (Bangladesh) said that his delegation fully endorsed the statements made by Spain on behalf of the European Union and by the Philippines on behalf of the Group of 77.

83. The Meeting held from 26 September to 6 October 1995 on the Mid-Term Global Review of the Implementation of the Programme of Action for the Least Developed Countries for the 1990s had provided an opportunity to assess the successes and failures of the measures adopted by the international community for the benefit of the least developed countries.

84. Although the world economy was on its way to a broad-based recovery, only a few among the least developed countries had managed to make progress. The Meeting had endeavoured to determine why the reforms introduced by the least developed countries had not succeeded. The least developed countries were convinced that they would have achieved more if support from the international community had been commensurate with their needs. As a group, the least developed countries had been unable to achieve the objectives of the Programme of Action and their socio-economic situation had continued to deteriorate. Slow economic growth, stagnating resource flows, scarce foreign investment, deteriorating terms of trade, a decrease in export earnings and increased debt continued to impede their development efforts. Periodic natural disasters aggravated the situation.

85. The mid-term global review had concluded with a pledge of cooperation between the least developed countries and donor countries, with a view to promoting socio-economic progress in the least developed countries. It was to be hoped that steps would be taken promptly to implement the recommendations of the Meeting, in particular with regard to reaching aid targets, alleviating the debt burden and devising new ways to help the least developed countries adjust to the new trading environment.

86. The ninth session of UNCTAD would provide an important forum for the consideration of the special problems of the least developed countries, including foreign direct investment flows and the establishment of safety nets in order better to integrate the least developed countries in the globalization process under way.

87. With regard to the current session of the General Assembly, a draft resolution was being prepared for submission to the Second Committee. All delegations would be asked fully to support its adoption.

88. His delegation was pleased that the Secretary-General had been invited to the Group of Seven Summit to be held at Lyon. The Secretary-General would be asked to draw the attention of the leaders of the Group of Seven to the outcome of the mid-term review and the follow-up action to be taken by the international community. As the Prime Minister of Bangladesh had proposed at the World Summit for Social Development, there should be an exchange of views between the leaders of the Group of Seven and some of the leaders of the least developed countries on issues such as poverty eradication, environmental conservation and the implementation of provisions relating to the least developed countries formulated at world conferences.

89. The least developed countries hoped that the United Nations system would continue to play an important role in the implementation of the Programme of Action. In that regard, the secretariat of UNCTAD played a fundamental role as the focal point at the global level for the review, appraisal and follow-up of the Programme. In its resolution 49/98, the General Assembly had invited the Secretary-General to make recommendations at the fiftieth session, with a view to ensuring the effective follow-up of the outcome of the mid-term global review and to follow up the conclusions and recommendations relating to the least developed countries adopted by major conferences. His delegation called upon the Secretary-General, in implementing that resolution, to take fully into

account the need to ensure that the Division for the Least Developed Countries of UNCTAD, which was the only unit in the United Nations system dealing exclusively with the least developed countries, was fully equipped to carry out its mandate.

90. Moreover, given the financial situation of the United Nations and the need to avoid overlapping and duplication, it was important that the Secretary-General reinstate the mechanism for regular inter-agency consultation on the implementation of the Programme of Action for the Least Developed Countries for the 1990s. It was also necessary for the task forces established by the Administrative Committee on Coordination to promote follow-up to the recent global conferences by the United Nations agencies to take the concerns of the least developed countries fully into account in their work.

91. In its opening statement at the Meeting on the Mid-term Global Review, his delegation had expressed its support for the convening of a third United Nations conference on the least developed countries. All concerned should undertake the preparatory work during the coming few years. His delegation sincerely hoped that the efforts of the least developed countries would be supported by the international community and that the commitments made would be honoured.

92. Mr. ERDENECHULUUN (Mongolia), speaking on behalf of the land-locked developing countries, endorsed the statement made by the Philippines on behalf of the Group of 77 and China and commended the substantive report of the Secretary-General of UNCTAD on the progress in the implementation of specific actions related to the particular needs and problems of land-locked developing countries. He also underscored the increasingly important role that UNCTAD was playing in focusing attention on those countries and mobilizing and coordinating the support of the international community on their behalf. The activities of UNCTAD in that context related to the improvement of their transit transport situation, including the provision of technical assistance, the preparation of studies on their special needs and problems and the regular assessment of the implementation of internationally agreed measures and specific action relating to the challenges faced by that group of countries.

93. The increase in membership of the Group had been followed by an increase in the number of problems that the land-locked developing countries were called upon to address. As developing nations handicapped by their geographical location, those countries were doubly disadvantaged when it came to participating in the globalization of the world economy and international trade. Their land-locked status had tended to erode their competitive edge and to isolate them from the world trading system, causing structural deficiencies, imbalances and greater difficulties in their socio-economic development. Therefore, the overall development efforts of those countries required greater attention and increased support from the international community, as reflected in the final documents of the World Summit for Social Development and the Eleventh Conference of Heads of State or Government of Non-Aligned Countries and in the Ministers for Foreign Affairs Declaration of the Group of 77.

94. Development of a cost-effective and efficient transit system was of crucial importance for the land-locked developing countries. Over the years, meaningful programmes of cooperation had been instituted among such countries and their

transit neighbours, in both bilateral and multilateral contexts, with a view to removing policy and physical barriers to transit transportation. In resolving transit problems, the trend towards a regional approach, coupled with a viable monitoring and enforcement machinery, should be further encouraged. In that respect, he drew attention to the support and assistance provided by the regional development banks and economic organizations with a view to developing an effective legal and regulatory framework to govern the improvement of transport and communications infrastructure.

95. In addition to bilateral and subregional arrangements, an efficient and reliable transit transport system could be promoted through implementation of the relevant international agreements. It was regrettable to note that, for various reasons, a number of international agreements related to transit transport operations had not attracted broader support. The main reasons were, first, lack of knowledge regarding the benefits accruing from the agreements and, second, the fact that some agreements were specifically tailored to the economic and technical circumstances of the developed countries, with the result that there might be a need for additional instruments tailored to the particular needs of developing land-locked countries. Due consideration should be given to the possibility of drawing up such an instrument, which would stipulate the minimum safeguards requirements for land-locked developing countries.

96. The Meeting of Governmental Experts from Land-locked and Transit Developing Countries and Representatives from Donor Countries and Financial and Development Institutions, first convened in 1993, had brought together all the main parties whose participation was essential for promoting cooperative efforts in dealing with the special problems of land-locked developing countries. The Meeting had been an important step towards building common positions shared by land-locked and transit developing countries, and that had had beneficial effects on transit transport cooperation. The second tripartite meeting which had been held in New York in June 1995, had resulted in the adoption of the Global Framework for Transit Transport Cooperation between Land-locked and Transit Developing Countries and the Donor Community. The Global Framework was the most comprehensive document prepared to date and it was aimed at fostering cooperation at both the international and national levels for the development of transit transport systems in land-locked and transit developing countries. In that regard, Mongolia was confident that the Global Framework would be adopted during the current session of the General Assembly and would serve as a sound basis for future activities.

97. Mr. CAMARA (Food and Agriculture Organization of the United Nations (FAO)) said that despite advances in the spheres of food and agriculture over the last 50 years, and the fact that current supplies were sufficient to feed the present world population, the situation in many developing countries remained serious. There were major differences between different parts of the world; there was over-abundance in the advanced countries of the north and shortages in much of the developing world, particularly in sub-Saharan Africa where the situation had deteriorated over the last 25 years. There were also great inequalities within countries, and even the richest nations had millions of undernourished children.

98. On the occasion of the fiftieth anniversary of FAO, Member States had reaffirmed their commitment to the principles on which FAO was based, by

adopting the Declaration on Food and Agriculture whose main objectives were to: promote agriculture, forestry and fisheries as the key sectors contributing to sustainable economic development; empower producers and consumers; use natural resources in a sustainable manner so as to achieve development; establish a world partnership to promote sustainable development.

99. Following the United Nations Conference on Environment and Development, FAO had decided to introduce an International Cooperative Framework Programme for Sustainable Agriculture and Rural Development, incorporating the Conference's main recommendations regarding sustainable agriculture and rural development as contained in Agenda 21, and those of the Action Plan emerging from the International Conference on Nutrition, jointly sponsored by FAO and the World Health Organization, held in December 1992. The International Cooperative Programme Framework emphasized the cross-sectoral aspects of sustainable development, providing a strategic framework for mobilizing the support of the international community and offering the main mechanisms necessary to create change - and build the required capacity for Governments to adopt measures designed to achieve sustainable development. The intention was to translate the programmes of poverty, food security and deterioration of natural resources into strategies for promoting sustainable agriculture and rural development.

100. The continuing deterioration of the natural resource base due to over-exploitation of land, water, fisheries and forest resources or degradation of the environment in a number of climatic zones, represented a threat to future food production. As the population grew and urban areas expanded, per capita availability of arable land would decrease even further, thus heightening the demand for food and the pressure on natural resources. To secure the very substantial expansion of food supplies needed in the coming decades, past degradation would need to be rehabilitated and incentives found to promote sustainable agricultural development.

101. Currently, a large proportion of the world's undernourished lived in the poorest countries. Almost 800 million people in developing countries suffered chronic under-nutrition, while some 200 million children under the age of 5 suffered from acute protein and energy deficiencies. Eighty-eight nations fell into the category of low-income, food-deficit countries: 42 in sub-Saharan Africa, 19 in Asia and the Pacific, 9 in Latin America and the Caribbean, 6 in the Near-East/North Africa and 12 in Europe/Commonwealth of Independent States. Unless determined action was taken, the number of undernourished might still be as high as 730 million in the year 2010, of whom 300 million would be in sub-Saharan Africa.

102. The goal of the World Food Conference had been to eradicate hunger, food insecurity and malnutrition within a decade; 20 years had now elapsed, yet despite the large number of conferences held to address those issues, that objective had still to be achieved. Consequently, after consulting a large number of heads of State and Government, and delegations from all regions, the Director-General of FAO had proposed that a World Food Summit should be convened in November 1996 in Rome, in order to renew the commitment to achieving food security for all and agree upon effective policies and strategies dealing with the root causes of hunger and malnutrition in the 1990s and beyond the year 2000.

103. In view of the growing support for the Summit expressed in numerous international and regional forums, at its twenty-eighth session the FAO Conference had adopted resolution 2/95, whereby it decided unanimously to convene, under article VI.5 of the FAO Constitution, a World Food Summit at the level of Heads of State or Government in Rome from 13 to 17 November 1996. It had also decided that the objectives of the Summit would be to provide a forum at the highest possible level to promote the global consensus and commitment needed to remedy the basic problem facing mankind, that of food insecurity; to raise global awareness of the food security problem and promote the search for solutions; to take stock of recent developments and prospects for the world food situation, including consideration of regional variations and trade in agricultural products; and to establish a policy framework and to adopt a plan of action for implementation by Governments, international institutions and all sectors of civil society.

104. The Summit was not intended to be a pledging conference, nor was it expected to create new financial mechanisms and institutions; rather, it was intended that each participating nation should consider independently the contribution it might wish to make to the policies and strategies arising from the Summit.

105. Mr. PEREZ OTERMIN (Uruguay), speaking on behalf of the States members of the Common Market of the Southern Cone (MERCOSUR), described the process begun in the mid-1980s whereby Argentina, Brazil, Paraguay and Uruguay, in the light of international developments and with a view to speeding up economic and social development in the region by means of integration, had embarked on an initiative which had culminated in the signing of the Treaty of Asunción on 26 March 1991, and the entry into force of MERCOSUR on 29 November 1991. After a short but positive period of development, on 17 December 1994 the Presidents of the four States Parties had signed the Ouro Preto Protocol (A/50/91), establishing the institutional structure of MERCOSUR. On 31 December 1994 tariffs, which had initially been reduced by 47 per cent, were removed altogether; that lowering of trade barriers was a major factor in the increased trade between the countries of MERCOSUR; it had risen from \$2,000 million in 1994 to over \$10,000 million at the current time.

106. In August 1994 the Council of the Common Market, the highest political organ of MERCOSUR, agreed to allow a certain amount of time to facilitate the adaptation of certain products to the new conditions of intraregional trade, on the basis of a limited country-by-country list of products and had set a timetable for the linear and automatic reduction of tariffs until their complete elimination. Likewise, the establishment of the Customs Union within a period of three years was a milestone for the four countries in the integration process.

107. It was worth pointing out that the purpose of MERCOSUR was not to close off markets, but, on the contrary to improve the position of its members within a dynamic economic situation and to extend the principle of open regionalism. The common external tariff corresponded to the objective of opening up the economies of MERCOSUR; it was based on the application of lower levels of protection to raw materials and minimally processed products, intermediate tariff levels to semi-manufactured industrial products and those used as inputs on other

production lines, and the highest degree of protection to finished consumer goods. The weighted average of the common external tariff was lower than that applied individually by the member countries before the signing of the Treaty of Asunción, and also lower than that which had been applied in the three-year period before the common external tariff came into operation. The tariff levels which had been established varied between 0 per cent and 20 per cent, and the various member countries had currently defined between 300 and 399 exceptions, which would move in a linear and automatic fashion and converge in the common external tariff within a period of a few years. Besides those general exceptions, the four States had agreed on exceptions to the agreed common external tariff, under the headings of capital goods (14 per cent) and telecommunications and information technology (16 per cent). It was anticipated that the four States, moving in a linear and automatic fashion, would converge at those levels by the year 2006 at the latest. Consequently, as of 1 February 1995 there were no longer different national tariffs in the four countries, apart from the agreed exceptions.

108. Macroeconomic policy coordination within the scope of MERCOSUR was considered a gradual process, not an objective to be reached by a fixed date, and priority was given to the mechanisms most directly linked to trade. Intensive efforts were also being made in various sectors of the economy to coordinate sectoral policies in response to the dynamics of the integration process. Information on the macroeconomic policies of each member State was exchanged at the twice-yearly meetings of the Council of the Common Market and at the meetings of the Ministers of Economic Affairs and Presidents of the Central Banks of the four States Parties.

109. One of the objectives of the economic policy of the countries of MERCOSUR was to maintain equilibrium in the key macroeconomic areas of fiscal, monetary and exchange matters.

110. In institutional terms, with the entry into force of the Ouro Preto Protocol, MERCOSUR would have taken an important step towards forming a common market which was the ultimate aim of the Treaty of Asunción, fully ratified in the new text. With the entry into force of the Protocol, MERCOSUR would formally have legal personality under international law. The legal personality of MERCOSUR was exercised by the Council of Ministers; it could by specific mandate delegate the power to negotiate and sign agreements.

111. The system for the settlement of disputes remained that established in the Brasilia Protocol of 17 December 1991, adapted to take account of the new system of rules and complemented by a preliminary procedure at the level of the Trade Commission. However, the States Parties had agreed that before the process of convergence of the common external tariff was complete, a permanent system for the settlement of disputes would be adopted.

112. The negotiations with Chile and Bolivia to expand integration in the Southern Cone, the initiative to extend the free trade area in South America and the ongoing dialogue with the Andean Pact clearly reflected MERCOSUR's desire for greater integration.

113. Furthermore, on 15 December 1995 the Interregional Framework Agreement on Trade and Economic Cooperation between the European Union and MERCOSUR would be signed in Madrid. That agreement would strengthen cooperation through regular political dialogue, preparations for the gradual and mutual liberalization of trade and support for integration. The agreement also acted as a guarantee of the democratic principles on which cooperation and respect for human rights should be based, since any violation of those would nullify the agreement, in accordance with its democratic clause.

114. MERCOSUR's area of influence covered 200 million inhabitants, or, to put it differently, approximately 70 per cent of South America's gross domestic product, making it one of the largest economic blocs in the world.

115. Integration, by increasing the size of the market, made it possible to carry on the process of division and specialization of labour so as to improve productivity and stimulate investment and technological development. It was also consistent with the objectives of an open international and multidisciplinary trading system such as that resulting from the Uruguay Round. Those assumptions lay behind the very creation of MERCOSUR, and its development was essential if the region was to fully enjoy the benefits of growth, trade and the global economy.

ORGANIZATION OF WORK

116. The CHAIRMAN suggested that the new sub-item, (k), on "Food and sustainable agricultural development", added to agenda item 95, of the current session by the General Assembly on 10 November 1995 and allocated to the Second Committee, should be included in the third cluster of questions relating to agenda item 95, which the Committee would take up on Thursday, 16 November 1995.

117. It was so decided.

The meeting rose at 6.10 p.m.